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>> well, I would like to welcome you all, thank you for joining

us for what is our first webinar of 2021, we are hitting the ground running. As -- as we need to. And -- to support our small business communities and our live music venue community, in this case -- I see people are joining at a significant rate, so we're going to take our time in getting going. While we're waiting to get going, I'm going to put that slide up that talks about the accommodations that we have for people who are hard of hearing. We have captions, you can cut and paste the link which my colleague Sam is publishing in the featured feed. You can cut and paste that link into your browsers and it will take you to the streaming facility that we have.

You can turn on your captions, you can look at the slide and look at the instructions there, it explains how to use the captions. And if you are interested, we have transcripts available after the event, they are available on our website, anybody who registered or attended this event will get an email with a link to the slides and the transcripts that are hosted on our website.

So thank you for your patience while we have our attendees join. Again, people are coming in at a fast rate, so I'm going to pause for a minute. I will leave this accommodations notice up so that anybody who is interested in this can put on their captions or cut and paste that link into their browser and avail of this service. Thank you.

So in the interest of respecting everybody's time, I'm going to hand the reins over to our Executive Director, Adriana Cruz, to open our event, over to you, Adriana.

>> Thank you and happy New Year everyone. Thank you for joining us today, I'm Adriana Cruz the Executive Director of the Economic Development and Tourism Office in the office of Governor Greg Abbott. On behalf of Governor Abbott and the team at the Economic Development and Tourism Office, I want to thank you for joining us today for our first governor's Small Business Administration for 2021.

In 2020 our small business team began organizing these small business webinars to take the place of our in-person events. During that year we had more than 22,000 small businesses register for our events. Through these webinars our goal is to provide information and connect you with local resources that will help you to find success on your entrepreneurial journey. We wanted to start off 2021 right away given the passage of the Consolidations Appropriations Act on December 27th and most importantly the passage of the Shuttered Venue Operators Grant to aid small businesses and music operators in the music industry and performing arts who were affected by the COVID-19 pandemic.

Today we're excited to be partnering with one of our office's

division, the Texas Music Office, and we will be hearing from their director, as well as from experts on the Shuttered Venue Operators Grant as well as from the Small Business Administration.

Texas continues to be ranked as the top state in the country to start a business -- to be an entrepreneur and that's a testament to you all, our state's small business owners and entrepreneurs who make up the backbone of our state's economy. We want to thank you for everything that you do to keep our economy going.

2020 has been a difficult and challenging year and our small businesses have felt these difficulties more than most. However, Texas knows how to overcome challenging situations and our economy remains resilient. Our office is committed to continuing the strong trajectory of economic growth in Texas and we look forward to working with you and helping you as you continue to do business in the Lone Star state.

And, now, I'll turn it over to the director of the Texas Music Office, Brendon Anthony.

>> *Anthony:* Thank you, Adriana. I sincerely appreciate your leadership. Good afternoon, thank you all for joining us today, welcome to understanding the Save Our Stages Act which will be a brief panel discussion and general Q&A about the venue application process for SBA pandemic assistance, before we get into our program, I would

I like to say a big thank you to some very important individuals.

First of all, thank you to Governor Abbott and his executive staff for their leadership during these difficult times. Thank you to Adriana Cruz and the entire EDT team for their work to support small business during this time as well.

And special thanks today to Kelly, Sam and Jarvis for facilitating this discussion. Thank you so much for the work that you have put in to bring us altogether today. I would be remiss if I didn't thank the Texas Music Office staff, Mark, Chip and Steve, I'm incredibly proud of all of the work that you have done during this time to connect industry professionals to the resources they need to weather such unprecedented times.

To all of those who have worked so hard to get us here today, this is an important topic we're talking about. And it didn't happen on its own. There were some industry professionals who worked very hard to bring us to this point. I would like to say thank you to the Music Venue Alliance of Texas, to NIVA, Senator Cornyn and their staff, the entire Texas delegation at the state and federal level for all of the work that they have done to put this entire package together, part of which we'll discuss today.

This is a major team effort. I'm very proud of the work done to get us to this point. Special thanks to our speakers today and

others, Blayne Tucker, Austin Bailey, Curtis Monroe and many others who worked tirelessly behind the scenes to achieve this point that we have reached today.

As director of the Texas Music Office, I'm very, very proud of the work that we have done during this time to connect to these industry professionals to resources that they need and this is an extension of that effort. We would not be able to function the way we do without the -- the tireless work, again, of Adriana Cruz and the entire EDT team. Those who work as private industry professionals, to make Texas music small business some of the strongest in the country.

And so having said that, I'll hand this back to Kelly and her team to take us through our program today. Thank you, again, to all of those who have decided to join us today. As has been mentioned earlier, this program will be recorded and will be shared out through several different channels. If you know of those who need this information, you'll find it very soon in a format that you can share with those who need it.

Thank you, again, for your time.

>> Great, thank you, Brendan, thank you also Adriana Cruz and thank you audience for joining us, we see quite a lot of you there. We know what we have to share with you today is important and that

this is an important conversation that's going to go on for a number of weeks. But we are proud and honored to be a part of sharing this initial information. So without further ado, I'm going to move along and I'm going to talk about our panelists today.

We will have Blayne Tucker, Blayne is a music industry lawyer. He's also a venue owners and was a leave Save Our Stages Act campaigner. We have Curtis Monroe, a venue operator and also part of the lead Save Our Stages Act campaigning that went on. Both of them integrally involved in getting this to be something real and something we're talking about today. We also have Tim Jeffcoat, from the Small Business Administration, he's the district director in Houston. And Tim, of course, is very close to the action in relation to this new grant.

So we're delighted and honored to welcome them here today to share the information that they have with you guys.

Before I take off and start the conversation with them, I'll just mention that we have a live question and answer feed. It's now open. I would urge you to look at the featured feed first and see if any questions have been published that you would be interested in hearing. Please like any of the questions that you want to hear because we're going to prioritize those that get the most likes. If you want to ask a question, please do so. The -- be on the lookout

for whether one of my colleagues answers you directly, because we have two colleagues that are dedicated to answering your questions as best they can. We have Sam and Michael Tragor in back of house answering questions. Do look out to see did you get a direct answer or not and also we will deal with questions that are published in the featured feed.

So we're going to kick off and we're going to start talking with Tim Jeffcoat from the SBA. Thank you for joining us today, Tim. You are muted.

>> *Jeffcoat*: Happy to be here. I just put \$5 in the mute jar. [Laughter].

>> That's great. We have quite a full jar if we did that. So listen thank you so much for joining us, it's great to have you here. I know that the SBA is -- is at the forefront of this fantastic new funding opportunity and I want to ask you some very general questions. These are the questions that I think are top of people's minds right now. So with -- without any delay, I'm going to kick off with that first question. So, Tim, please tell us about the key objectives of this new shuttered venue operators grant from the SBA.

>> You know, there's people here today that helped make this happen. Of course [indiscernible] was pushing for this as well, the intent of the grant program is to be able to keep venues opened to



get them unshuttered to during this time when you can't have full venue because of safety reasons, at least you can have funding to keep the doors open, keep the lights on, keep the people paid.

>> Thank you, I know that the grant isn't open yet. May not be open for a week or two. While we're waiting for it to open, I think it's important that venues and owners get ready to apply. How would you advise a shuttered venue to get ready to apply, how would they approve their eligibility because I know there's a critical thing.

>> *Jeffcoat:* Yeah, there's a couple of things in particular that I would like everybody to pay attention to. First, you're going to want to get your financial records in order. Because you've got to show that you had a 25% or more reduction in revenues in order to qualify.

I'll take that a step further. Another reason that you want to be really careful with that analysis is once shuttered venue opens, the first two weeks will only be those venues with a the 90% or greater reduction in revenues. Everyone else will have to wait. The two weeks after that will be venues that are 70% or greater reduction in revenue. So I think that's going to be one of the first thing that you want to do.

The second thing, both of these could take a little time, that's

why I'm highlighting these. The second thing, when you get grant money from the federal government, that generally gets disbursed via a website called SAM, System for Award Management. You will want to set up a SAM profile. Not as he is as getting a gmail account. A few more steps, you may have to request a few more things in your business. For a typical business, it might take you a week or two to get that active. That's the kind of thing that I would encourage you go to ahead and start doing. To help you, Curtis and I tomorrow, will be offering a webinar for Houston and Southeast Texas, anybody else that wants to come along, we will go into some detail on how you can get some help looking at those quarterly financials and how to start a SAM account. I think that's tomorrow at 11:00 out of my office.

>> Excellent. In fact, we have a link to that website for people to begin the opening up of a SAM's account, that will be shared with the slide deck for this event and anyone who is registered or attended will get an email with a link to that slide deck. So you can just find that information through our slide deck. Don't worry too much about writing that down or Googling it right now. You will have that information.

So thank you. So much, Tim. I am going to move along, I'm going to ask my next two questions of Blayne and thank you, Blayne,

thank you for joining us, it's great to have a real, live venue operator, music industry solicitor and lead campaigner join us, so thank you.

>> *Tucker:* Great to be here, thanks for having me.

>> Superb. The first question is a follow on from the question that I just asked Tim. What can companies or venues do this with time to get ready, if they are eligible, what other key information do venues need to have ready in order to apply?

>> *Tucker:* Well, we're still waiting on a lot of the rule making to come from the SBA. But, you know, like Tim was saying, I think just to take a step further in the financials, I think getting your 2019 bank statements together, your 2020 bank statements together and your 2019 tax information. One more thing to add on to what Tim was saying about the SAM's number, in order to get registered with SAM, you need to have a DUNS number ahead of time. So if you don't have a DUNS number, you can't register with SAM yet.

So just in order of priority, if you don't have a DUNS number, you've got to get that first, then go and register with SAM's. Once you are registered, they will issue you a CAGE code. Then you will know that you are in the system.

>> Great. And -- [Background noise].

Sorry, I think actually -- I'm going to -- just mute Blayne

there for a second because there's a lot of background noise there. To follow up on what Blayne said, we have the link to get a DUNS number in this slide deck at the end. DUNS is Dunn & Bradstreet number. And don't worry you will be able to get a link to that and check it out.

So I'm going to ask a second question of Blayne and then Blayne you can unmute when you are ready. The second question is: Can you advise people where to go for support or advice for small venues getting ready to do this grant application?

You can unmute there.

>> *Tucker*: Yeah. I would say one of your most valuable resources are folks like Tim. Locally and regionally within the state. Local SBA offices are some of the most fantastic resources to really guide you and help you kind of work through getting what financial information you might have together, just from a functional perspective.

And it will determine your eligibility, again, the SBA has set up an email link for shuttered venues that's specifically about this grant program that you can address questions to. And I would encourage everybody out there to join the National Independent Venue Association, NIVA, also in the materials that Kelly has put together. The reason why is NIVA has been active in this process, working hand

in hand, with the SBA, at the federal level, to -- to make policy recommendations and -- or NIVA is issuing near daily emails on what's going on, the latest here, to get as many folks as possible prepared for when this application opens so that everybody can kind of -- kind of jump on it and be ready when those priority periods start and the applications roll-out.

So I -- I would say that that's pretty critical, just to stay inform and know what's going on on a daily basis. Leading up to the open application period.

>> Okay, that's great, thank you, Blayne, I will just add to what Blayne was saying there about getting help locally. The Small Business Administration has a partnership with universities to create small business development centers. And they are in or near most cities in Texas and all across the nation. If you want to find out about your nearest Small Business Development Center, there's a link at the end of this slide deck and you can find out which one is the nearest one to you. In fact there may be several near you if you are in a big city. I would recommend that you go there first because they have more staff to deal with helping small businesses, Small Business Administration offices around the country are actually, you know, very small staffs. So indeed you can reach out to them, but you may find a quicker response from the Small Business

Development Center nearest you. I think that's a useful piece of information. So thank you to our panelists for those frequently asked questions.

I think we're done with that. I'm going to move along now and -- and move to the next phase of our event, the more important piece, the live Q&A section. I'm going to hand over to my colleague Jarvis Brewer, over to you, Jarvis.

>> *Brewer:* Thank you very much, Kelly, thank you everyone for participating. I see there are a lot of questions coming in and we're going to spend about the last -- the last 40 minutes of this event solely answering these last questions, so continue to submit and like the questions that are being submitted. This first question, it's one that encompasses probably the big question on a lot of venue owners and operators minds. And it is -- I'm going to relate to Tim. The question is: What is -- what is the definition, when will the SBA release the regs and rules and the application for this grant? Tim?

>> *Jeffcoat:* The easy answer is I don't know exactly. But I'll tell you that I think that it's coming within 10 days. So if I were a shuttered venue right now, I would be getting together my DUNS number, getting my SAM's account sorted out and getting my financials straightened out to show how much reduction I've had in revenues

because once it opens, as I pointed out, the first two weeks are set aside for those that are hurt the worst. If that's you, go ahead, get your stuff together so you can be in the first ones in the door.

If I were going to pick a date, I shouldn't, but I would say probably the first week in February. Pick a date. Could be the last week in January.

>> *Brewer*: Perfect, still up in the air to be determined. Of course, for information and questions like this, stay connected to your SBA pages as well as our site. We will be doing regular webinars so as more information becomes available, we will be publicizing that to make sure that Texas business owners know this. I'm going to stick with you again, Tim, may be more of the same. There's another popular question what is the definition of earned revenue?

So again, Tim, is there are going to be any kind of guidance as far as the definition of what exactly earned revenue is?

>> *Jeffcoat*: Yeah, there will be. The Internal Revenue Service, I believe, has a definition for that. In all likelihood we will use the exact same definition. Generally, in the context of a venue or a movie theater, it's going to be revenue from tickets, revenue from private events. So earned revenue. Revenue that your business has earned from whatever it does.

There are other sources of revenue that and the always earned

revenues those may be excluded. If you own six buildings, one is a venue and the other five you rent out to other businesses, that might be viewed differently. So that revenue may be for focused on the venue itself as opposed to other business interests, but we will see a detailed version of that here shortly.

>> *Brewer:* Thank you, sir. Unfortunately, Tim, I'm probably going to relay a lot of these questions to you since a lot have to do with the SBA and definitions. This next question is regarding different venue types.

So there was a question related to universities. And if there is a university that has a venue at the university, should they file as the venue within the university or is the university the entity?

>> *Jeffcoat:* Probably going to depend on the ownership status of that. Some of those venues are in affiliation with the university and actually non-profits. In those cases, they may be able to stand alone on an application. So once again, we'll have to look for the final guidance on that, but I believe there will be some provision in there to address that.

>> *Brewer:* Perfect. That's exactly a great segue to this next question, which is about non-profits. Can a non-profit that hosts events qualify for these grants and/or partner with other heritage music venues for funding?



>> *Jeffcoat:* Yes, I'm going to be looking over here. I've got some notes. There's a particular point in the act itself, detailed verbiage that says -- give me a second.

For a venue owned -- this is in terms of a live venue. For a venue owned or operated by a non-profit entity that produces free events, the events are produced and managed primarily by paid employees, not volunteers. So that's the only thing that I currently see personally that I have noticed in the act that talks to that. Will non-profits be eligible, yes, absolutely. But this particular point makes a difference that even though it is a non-profit, it has to have some paid staff. Not volunteers in order to qualify.

>> *Brewer:* Great note. Thank you very much for that, Tim. If you do need to refer to your notes at any time, I speak for all of us in attendance, myself included, feel free to do so. We're glad to have the information.

To be respectful to Curtis and Blayne, if there is anything additional that you want to add to any of these questions, definitely feel free to chime in. But a lot of these are really specific to things coming from the SBA.

Furthermore, here's our next question anonymously. Are funds awarded under the Save Our Stages Act forgivable loans if used for certain expenses, like the PPP funds.

>> *Jeffcoat:* These are full blown grants, no provision for them to be paid back. They are a grant to your business. When the government grants you money, there is a document that comes with it. That document says here's the money, here's how you agree to spend it. If you get one of these grants, you can absolutely anticipate that and at some point in time, someone, perhaps from my office, will show up and say, okay, show us how you spent this money. Because it was intended to do things like pay your employees, pay your power bills, keep the doors open, pay your rent, that kind of thing.

Probably it's not going to be meant to be used for instance to purchase new equipment or acquire new buildings or those kinds of things. So we will have a defined use for the funds.

But they will be a grant, no need to pay it back.

>> *Brewer:* Wonderful. Grant is effectively free money to help your businesses.

>> *Jeffcoat:* Exactly so.

>> *Brewer:* Here's another question actually related to using the different programs that have been created by either the CARES Act or by the Save Our Stages Act. If you apply for the second round of the PPP, are you eligible for the SVO as well?

>> *Jeffcoat:* They are mutually exclusive. You will be making a decision which one you want to go after. I will throw out some

criteria to think about right away. That's also something that we'll mention in the webinar that Curtis and I will be doing tomorrow.

But the PPP second draw, is a maximum of \$2 million.

So if you have got a really good sized payroll and that's what predicates the amount of the loans in the PPPs, then you will be limited to two million maximum. With Save Our Stages Act or shuttered venues, it's up to \$10 million. If there's money left after those first round of grants go out and you run through your grant and you still need more money, you may be able to get a second grant worth 50% of the first grant.

So potentially more funding possible through the shuttered venues grant. It's really going to be a case by case contextual analysis. Your specific venue, one, really may be far more advantageous than the other. I think it's fair to look at both as if they are grants. The PPP is actually a loan. But if you spend it the way the government asks you to it will be forgiven. While it's not technically a grant, you do have to earn the forgiveness. You know, it is another potential path to saving your venue.

>> Thank you, sir. And that's a great explanation. I do want to remind our audience to be sure to check the feature or published feed. A lot of the questions are very similar and we want to make sure that -- that the ones that are most relevant are getting asked.

If there is a question that's related to a question that you have as an audience member, like that question so that it can get moved to the forefront and I can ask that question. But continue to answer questions as well.

So this is a question -- it's I guess hypothetical because funding is not being released. But how fast will the funding be delivered once the application process is complete? I know there's not -- it's hard to say right now. But it's in the minds of people. Maybe if we want to look at how the PPP or EIDL, how fast will those funds come out?

>> *Jeffcoat:* That's a really good question. That's one that I absolutely have no basis to answer, I'm sorry, I can't. I will tell you when you are looking at the possibility of [indiscernible] versus shuttered venues, one thing to really think about is with the PPP, once the loan is approved, we require the lender to disburse the money to you within 10 days. Those tend to be quite fast. If you have a super urgent need for money and you think that you can get a PPP approval, that might be the best path.

I just can't comment at all at this point. I know that we will have some estimates on that here in the coming weeks, but right now I don't even have any insight whatsoever as to how long it will take to get funded.

>> *Brewer*: Correct, it would just be speculation at this point.

>> *Jeffcoat*: I don't mind speculating if I have a basis for it, but in this case I don't have any basis at all.

>> *Brewer*: Understood. One second, I'm scrolling through some questions real quick.

Tim again, seems like this is a conversation between you and I. The question comes in, can you also please clarify the requirements to sell tickets. I know that was in the language about the venue actually selling tickets. Can you clarify those statements regarding selling tickets. For example, churches or -- or concerts, churches versus concerts. Is there any more clarification versus a selling of the tickets as opposed to maybe a cover at the door?

>> Right, yeah, let me see if I can address that. I can a little bit. So I'm going to back up for a minute, though, and remind everybody of our high school civics classes when congress passes an act, when the president signs it, that basically is instructions to the agency on what they would like us to do.

So in the context of the [indiscernible] we get this act and now we have to put this into practice. The actual practice can differ from what the act specifies. But I can tell you what the act says, I will give you an example with a live venue because it's fairly

detailed in the act as to what it says. It says it has to have a defined performance and audience space. Mixing equipment, public address system and a lighting rig. Engage one or more individuals to carry out not less than two of the following roles: Sound engineer, booker, promoter, stage manager, security personnel or box office manager. There's a paid ticket or cover charge. That kind of addresses what you asked. To attend most performs and artists are paid fairly, I like that part by the way, as a former performing artist, I like being paid fairly. And do not play for free or solely for tips except for fundraisers or other charitable events. Uh-oh, I think I'm getting dropped.

>> *Brewer:* You will still there.

>> *Jeffcoat:* Can you hear me?

>> *Brewer:* Yes, sir. We can hear you just fine.

>> *Tucker:* Jarvis, if I could chime in just for a second to go along with what Tim was saying.

>> *Brewer:* Absolutely.

>> *Tucker:* I want everybody to just kind of remember, when we were drafting this legislation, the intent and spirit behind it, as Tim mentioned earlier, was to support independent venue operators. That was the idea behind the law. A lot of these criteria that are put in place was our best effort to define what a music venue actually

is. And that can be a challenge.

For those of us in the industry that walk into a club or a venue, we know what that is, right, when you walk in there. It feels like it, it smells like it, it sounds like it.

A lot of these provisions were intended to be there to limit a deluge of restaurants and bars, places that may do music once a month and so forth.

So -- so I would just encourage everybody out there and -- and, you know, there's going to be some honor system at play. But if you know that you are a venue, then, you know, you should really consider looking into this. If you know that you are just kind of skirting around it and, you know, you are playing with these provisions a little bit, this was probably not intended for you.

So, again, this was intended for independent music venues and not, you know, a deluge, again, of restaurants and just bars.

So I would just add on to what Tim was saying, just kind of in the intent when we were working on the law itself.

>> *Brewer*: Absolutely. I have noticed, Blayne, that there are quite a few questions that have been submitted regarding wedding venues or multi-purpose venues, which can be used as a -- as a concert hall on that day or a music venue on that day but used as a different purpose on another day.

So -- so as far as the percentage, does that come into play? Like the percentage of how a venue is used, does that come into play as compared to just sometimes?

>> Is that for Tim or me?

>> *Brewer:* That's for you, Blayne, I believe we have lost Tim temporarily.

>> *Tucker:* The other thing that we can consider, venue operators and promoters as well. You know, a promoter may utilize different venues. He might use a space that -- that, you know, is activated once a month because he's doing shows in other places as well.

So, you know, I don't -- I don't want to say, you know, it's not necessarily restricted to venues itself because that might be a scenario, hypothetically, where the venue may not qualify. But if you are a promoter or a promoter company that uses that venue, there could be a possibility that you could qualify.

>> *Brewer:* Absolutely. So is there a certain amount, maybe Tim this is a better question -- or a percentage to where someone can draw a line as far as being a music venue or not?

>> *Jeffcoat:* that's exactly the kind of thing that we hope to see when the guidance is published. The team in Washington is working as hard as they can. They are building the plane as they



are flying it to get this thing done. I hope that's the kind of thing that's in there. Right now, based on the act, it's pretty binary. It says if you don't have a sound engineer or a booker or a mixing console, et cetera, then you are not a venue.

We will see what the actual guidance says. As I mentioned earlier, when we get this from congress, we have to take this verbiage, we have to put it into action. Sometimes we will look at this and go you know we think they overlooked this one thing. In our case we may talk to the small business committee and see if there's a deviation from the act that might be possible. Various things might be possible.

Based on what I have seen in the act, it's pretty well defined what these venues are. Just as Blayne as saying, the intent is this is a bona fide independent venue, either a theater or a music venue or some other performing arts venue.

>> *Brewer:* Absolutely. So there's -- as I've gone through these questions, the majority of the questions are related to the definitions and regs simply have not been released at this moment. Do stay plugged into both the SBA pages, our pages, the Texas Music Office pages, as well as the ongoing webinars that Tim will be a part of, Curtis, Blayne, myself will be a part of, Kelly. And our offices.

So do stay in touch with us as this information comes out, we

will definitely put it out.

Along the lines of that, again, Tim, I also heard first 60 days of SOS grant will be limited to those with 50 or fewer employees. Is this correct?

>> *Jeffcoat:* Yeah. The 50 -- the grant pool is \$15 billion as funded by congress and two billion, that's with a B, of that, is intended to be set aside for those venues with fewer than 50 full-time employees.

[Multiple voices]. There is a limitation on the timing. It is possible that after a period of time the SBA can release the funds that were set aside for those smallest venues, so if they are just not applying, it's conceivable those could be allocated into a larger pool of money so more money is available for everyone. To start with the intent is to make sure those very smallest venues are taken care of.

>> *Brewer:* Wonderful. Again, I'm sorry to repeat myself multiple times, but it's more questions about what is earned revenue. More specifically, what about donations?

And non-profit theaters that receive sponsorships, so is there any more knowledge that we can provide regarding what is earned revenue or will that be simply guidance from the IRS.

>> *Jeffcoat:* That's going to be whatever gets embedded into

the final guidance which ought to be here before too long. As I say, what we normally do in that case, doesn't mean that it will happen this time, but what we did for instance with the PPP second draw, is where there are things that are already defined by the IRS, we just use their definitions. Actually, it wasn't PPP second draw, it was the EIDL grant. It talks about what's a low income area. We use the full straight up IRS definition of what a low-income area is. In this case I expect we will do the same thing with earned income.

We don't generally do anything related to defining taxes or defining taxable incomes. We just defer to the IRS.

>> *Brewer*: Thank you, sir. This next question is what if your venue closed down where your revenue literally went to zero. Tim, again, I hate for you to reiterate yourself. Can you explain again how it's based on quarters from 2019.

>> *Jeffcoat*: That's right, that's right. You will look at the four quarters of 2019 versus the four quarters of 2020 and if you can show 25% declines, then you qualify.

So if you had to shut and you have zero income coming in, then I would think that means that you qualify because you have certainly greater than 25%.

Now, where a technicality may come in if you have filed for

bankruptcy. If that's happened, I can't tell you that would be an issue here. But with the PPPs, that has been a consideration as to whether and at what stage the bankruptcy is in process. That may change things.

Hear me say this again, but that also means that we have got to wait for that final guidance. These are exactly the kinds of details that have to be ironed out before they release -- the worst thing in the world would be to release something today and we all started applying from the grants and somebody decided two weeks from now, oh, you are busy with bankruptcy, you can't file, we are going to throw your application away. You have lost two weeks on something you could have been doing as opposed to pursuing the grant. So working as fast as we can to get that out.

>> *Brewer*: Thank you, sir. I'm going to do a little pause here. I know we haven't heard much from Curtis and Blayne. We do have many other questions to get to, but we have roughly 20 minutes left in this event. Out of all of the questions that I have been asked so far, anything that's come to your mind, Curtis, Blayne, any other additional information that you would like to share without really a specific question. Anything that you have thought about in this timeframe?

>> *Tucker*: Yeah, I would just to kind of encapsulate everything

Tim is saying and the theme of a lot of these questions, I know everybody is really antsy about when the applications are going to roll-out and whether they should apply for PPP or the SBA. You know, there's really not much we can do, it doesn't do much good anticipating or speculating what the actual rules will be until they come out. The best thing that you can do is tap into all of the resources that Kelly has -- has outlined in this packet at the end of this call. There's contacts for Tim's office, all of the regionals offices throughout the state, the NIVA contacts, all kinds of valuable information in there.

That's going to be the best way to stay up to date with where we are in the process. We just don't know a whole lot in detail at this point. And to the extent that we can really update everybody as time goes on, those resources that Kelly put together are going to be the best belt moving forward. I would say.

>> *Brewer:* Thank you for that, Blayne, Curtis, anything additional that you would like to add at this time?

>> *Monroe:* Not at this time. I just want to thank everybody for the call today and I want to thank Tim and Brendan and, of course, the rest of the state. It's been an amazing resource here for people.

>> *Brewer:* Thank you for that, sir.

So really the sum thus far has been because we are all awaiting

further guidance and definitions, at this point something we all can do is start the preparations as mentioned earlier, getting a DUNS number if we don't already have that. Beginning the preparations for the SAM so that can help you in the process along the way. Getting those things in order now will better prepare us once this information does come from the SBA and the IRS.

Moving forward with more questions, when applying for a SAM, do we just register main DUNS of corporate entity or each of our theaters which each have their own DUNS number but not their own tax ID. In this scenario, Eric has multiple venues, I'm assuming and then one corporate entity as a parent company.

would there be each individual venue applied separately with their own DUNS and SAM or would he do one application for the parent company?

>> *Jeffcoat:* Yeah, I don't know for certain, but I would say they are probably going to do one for the parent company because if you are going to apply for a grant on the basis of the number of locations that you have, that would make sense. If each of those entities, if they are separate, completely separate legal entities, they are all very different, do different things, but they still wind up being venues, in that case it might be possible or it might be logical to have separate -- [Sound cutting out], the intent for SAM,

System for Award Management, to manage the award to you. So we'll see for sure with that final guidance. [Multiple voices] -- could be useful to everybody, Kelly has already pointed out, there are resources in your area that can help you. But just as I'm the SBA person for Southeast Texas, there are five other of me in Texas. You've got an SBA office in Dallas/Fort Worth, you've got one in San Antonio, which includes Austin, you actually have a small office in Austin, you have one in West Texas, one in El Paso, one in Harlingen. If you are in any of those areas you know you have an SBA office just like mine available to help you. We can connect you with free resources in your area that can help you, for instance, take a look at your financials to be able to approach that application. Or you may have what's called a procurement technical assistance center, I know that's [indiscernible] that can help you with doing a -- a SAM account. Can help coach you through some of the details on getting a SAM account. Those are all completely free resources, we have already helped pay for most of those, procurement technical assistance center is actually paid for by a different organization but still federally funded.

>> *Brewer:* Absolutely. That's a great shout out to both the other SBA offices and PTAC. Another recommendation, I know Kelly mentioned this earlier as well, will be on our closing slides, are

the SBDCs, Small Business Development Centers, those are even more regional and more plentiful. You may even have better access to an SBDC that may be in your own back yard. Again, all of this information will be available to you at the end of this slide which will come up here shortly.

So moving along, the last question that I asked, there was a question that I actually felt was a good follow-up.

The question was related to having a parent company and multiple venues underneath it. What if I do have separate venues and they are, by the definition, music venues. Can each of my venues have their own application for this grant? If eligible?

>> *Jeffcoat*: Same answer. We'll have to wait for the guidance. But normally, yes. Like in the case of the PPP loans, if I owned six different businesses, each one was its own unique identity with its own employer identification number, EIN, I would be able to apply for six different EINs because I have six completely different companies. So I have to see how we implement this grant program, but that is what I would expect. Again, you would have to wait and see that final guidance.

>> *Brewer*: Perfect, perfect, perfect. Russell has submitted a good question. Which actually deals with -- expenses. So can funds be used to reimburse extended funds?



>> *Jeffcoat:* Only in certain categories. You guys know what I'm going to say. You have to wait for the final guidance. But in the act, it does delineate in the act, in some significant amount of detail, what the funds can be and cannot be used for.

It will probably be in even greater detail whether we publish the final guidance. There are some things you simply can't use it for. But in the context of reimbursement, I would say offhand if those were for things like operating supplies, that's possible. That's possible. I'm not going to tell you it can be done until we see the final guidance, but that is possible.

>> So the overarching theme, again, we keep saying it over and over, is that a lot of this guidance will be more clear once we received that from the SBA, which as we're speculating will likely happen in the next two weeks, so stay tuned.

>> *Jeffcoat:* Right.

>> *Brewer:* Moving forward with some of these other questions again. They may be repetitive of some of our previous questions. But -- but -- so there's a question about if I have a restaurant or excuse me, if I have a venue and it's attached to a restaurant, the venue itself is a musical venue, but it's attached to a restaurant. There's some explanation of whether these are separate businesses or if they are all the same business, for example, a restaurant that

happens to have a music venue.

So -- so can we distinguish -- we will just take both scenarios, a restaurant that has a music venue and there's a music venue which is completely separate from the restaurant but attached.

In either scenario, could this program apply to it?

>> *Jeffcoat:* Well, in my case I'm going to kind of refer back to what Blayne was saying. The intent here is for bona fide music venues that day in and day out are selling tickets and bringing in acts and paying them and have sound consoles, lighting rigs, all of that kind of thing. If it's something that you do periodically, it may still be possible. But then again it may not.

So the descriptors that are in the act itself are pretty clear that -- that this needs to be what you do is have a venue. And if you also have a restaurant that happens to occasionally have a musical act perform in it, it may not apply to you. It's really intended for those, everyone can think of those just like [indiscernible] in Houston, everyone can think of some venue that's out there that's all that they do. They have acts as frequently as they can, that's their source of livelihood, that's the intent. If that's not you, it's probably not the right program for you.

>> *Brewer:* Understood. Blayne, do you have anything extra to add to that or did he encompass what you would say?

>> *Tucker:* No, I would reiterate what I said earlier. I think Tim said it perfectly.

>> *Brewer:* Perfect, thank you, sir. So here's one about salary maximums. Will there be those in place for grant funds, if you are going to use these funds, is there a max to the amount of the recipient?

>> *Jeffcoat:* Yeah, that's a good question. I have not seen anything in the act. The PPP did -- does -- not did, but does limit salaries to a maximum of \$100,000 for coverage by the PPP.

In this case, I'm not aware of one. But when that final guidance is issued, I think it's realistic based on what we have seen with PPP that that could occur.

>> *Tucker:* I believe there's a limitation on independent contractors and the SVO for \$100,000 as well. I believe so.

>> *Brewer:* I got another question related to staff. Not necessarily salaries, but -- but this question comes in at the beginning of 2020 I had five part-time staff members on 1099s. Will I be disqualified for not having any full-time staff on the W-4? So I guess they say at the beginning of 2020, I would assume that's also true for 2019 if they have the part-time staff, would that be a disqualification for not being full time?

>> *Jeffcoat:* We simply don't know yet, but the -- there is that

two billion dollars that is set aside for those very smallest venues with fewer than 50 full-time employees. In this case you would have fewer than 50 full-time employees. This is also an example where it might make a lot more sense, note my word might, not will, make more sense that an entity pursue a Shuttered Venue Operators as opposed to a PPP loan. PPP would not be a good case probably because it only covers W-2 employees and it's the Paycheck Protection Program, so that's the points of that. The Shuttered Venue Operators Grant may not discriminate. It may just look at what are your costs, what are your revenue losses and then there is a formula for being able to determine the amount of the grant. Grant is based on your revenue. In that case, it may be a great choice for you even though you have 1099s, that I'm aware of that won't be held against you. I know you are tired of hearing me say it, we will have to wait for the final guidance to be sure. For me -- it feels to me like the Shuttered Venue Grant may be a better choice for you than the PPP.

>> *Tucker:* Just to add to that, when we were really lobbying this bill that's now a law, the argument that we were making was music venues was -- PPP doesn't work for a music venue that's completely shut-down because we don't have any payroll or staff to hire them back to work because there's no work to pay them for.

So a PPP, forgivable loan, didn't make sense and that was kind

of the impetus and the argument behind Save Our Stages Act and the SVO. So, you know, I'm just going to keep that in mind, too, to go along with that Tim said. Because that probably is a situation where SVO might benefit you more than PPP.

>> *Brewer*: That's perfect to bring in the information regarding the PPP. We will actually be giving guidance related to the PPP and actually the EIDL as well next Wednesday. So stay tuned. If you want to hear more about those programs, we have our webinar next Wednesday at 1:00 p.m. definitely register for that where we will have another esteemed panelist giving the information, the most up to date information regarding those programs.

We have another question from Alex. Are there provisions for venues that opened in 2020 that do not have 2019 revenue numbers. In this scenario, there's a business that didn't exist in 2019 and we have already discussed how the calculations are based on quarters from 2019. What if I actually opened I assume in early 2020 before the pandemic was closing down music venues. Would there be any kind of assistance for me in that scenario? Blayne, Curtis, Jeff? Or Tim, excuse me.

>> *Jeffcoat*: So what the act says is that you must have been in operation as of February 29, 2020. So if you started after that date, then this is not going to be the grant program for you.

If you started before that date, then if you have a full year of operation, you are going to be using that year's worth of operation to calculate your loan value. If it's just partial, then based on what the act says, you're going to take the months you were in operation, average those, and multiply that by six. To come up with your loan amount.

>> *Brewer:* Thank you. That date, I didn't want to give the wrong date, but I was trying to think of what was that date in 2020. So thank you for providing that.

>> *Jeffcoat:* You know, I'm grateful for the question because I had to look it up pretty fast.

>> *Brewer:* As long as we've got that out there, I'm sure plenty of our attendees who are wanting to know that information. We are in our last -- [Multiple voices]

>> *Jeffcoat:* There was a question earlier about how you can use the money and there's a long list in the act. But I will point out one thing. I want to tell you what it says that's prohibited. You can't use it to purchase real estate, to pay interest or principal on loans that you took out after February 2020, you can't reinvent it or lend it out. You can't contribute to a political party. But then I really want to point you to the fifth one. This is the one that I think is really important for everybody to hear. Any other

use as may be prohibited by the administrator. That's my boss, the person that runs the SBA. This is one of those times when just because the act says those first four things doesn't mean when we issue our guidance we won't have 13 more.

Because we will have a perspective to be able to say, yeah, you can't do this and you can't do that. That's not in the spirit of the shuttered venue grant. Even though it only lists concretely four things, the actual guidance might have 15 or 20.

Or only four. So all of the more reason, A, we have to wait for that. But B, I just wanted to point out, just because you might read it in the act, I'm sure a lot of people in this webinar did that, doesn't mean that it will be exactly that way when we implement it. That just gives you an indicator of where it's headed.

>> *Brewer:* Absolutely. Very great information to know those exclusions and there may be more to come. As we are in the last few minutes of our event, because there were so many questions that really we could either can't answer at this moment or will be answered on our final slide, so I want to give a little bit more time to our closing slides. I will at this time turn it back over to my colleague, Kelly Spillane. And if there are any other further questions, definitely feel free to contact our office at TMO, I'm sure Blayne and Curtis are here for you. Contact the SBA, your local SBDC, PTAC, all of

the resources being shown right this moment and stay tuned, stay plugged into our upcoming webinars.

At this time, Kelly? All ours.

>> Spillane: Thank you, Jarvis, I want to thank my colleagues, Sam and Michael, too, for answering so many questions directly to our audience. Do double check, audience, if you do ask a question, double check you got an answer directly. You may well have. They answered over 100 questions directly. Thank you to our panelists. Before I wrap this up I want to put this on our three panelists, there were a lot of questions about whether I'm eligible, not eligible, it's going to be subject to those rules that will be published in the coming weeks.

But am I right or wrong in saying this, shouldn't all -- shouldn't venues based on what they know, if there's no reason to assume they are not eligible, should they not just be getting ready on the off chance that they are? Should they be getting a SAM's number and a DUNS number and finding a contact maybe in an SBDC or even the SBA to help them be absolutely ready for when those rules are published so they can apply really efficiently. I mean, isn't it better to be optimistic that they will be eligible?

>> *Tucker*: I would say 100%, you know. All the SBA can say is no. And if you are -- if this is intended for you, and you feel



like you are in a position where -- where this could help you out, you know, go for it.

You know, as long as you are doing it in good faith, I think it's -- it's worthwhile to consider.

>> Great, I think that's what I would be advising people. If it looks to you like you might be eligible, get ready, don't rule yourself out. Let the SBA do that.

>> *Jeffcoat:* I will add to that, I completely agree. If the worst thing you do is find a local resource that's free to you that can help you run your venue whether you get the grant or not, that's a heck of an accomplishment. Just here in the Houston area, we have over 250 of those folks, 100% free to you will after venues that are here. They can help you, you know, take a look at how you want to put your financials together to apply for this, they can -- in some cases -- get your SAM account and all kinds of things as you go forward. They might be able to help you tweak your social media campaigns or how do you your quarterly tax filings or Lord knows what. They can handle most anything.

>> Like I said, I'm going to show you a slide in a second with those resources, I will just mention, Tim you can back me up on this, I think the organization called SCORE, a national mentoring organization, can also help people, can't they?

>> *Jeffcoat:* Yes. In fact, we have some -- some of the very best SCORE chapters in the nation. They are a nationwide organization, 11 now mentors around the country, many of whom have owned businesses like yours and now they volunteer time to help. Not only can they help you with this specific grant situation, but from their own expertise of owning, managing, maybe still owning a venue, they can give you very sage advice on how you might approach running your business. Here in Houston, about 165 SCORE volunteers that are working to help small businesses every day.

>> SCORE is a great organization, great experienced executives, they all go through the SCORE process to learn how to be a mentor and learn how to deliver a consistent quality of mentoring, it's a super organization in general, not just for this moment. Thank you, everybody, I'm going to wrap it up by just sharing the resources that are in the slide deck. So you can see that you will have access to this later. This slide has all of the resources that are pertinent right now from the office of the governor, you can see the Texas Music Office organization and also the governor's small business team of which I am a part and also Jarvis. This last slide is music industry pertinent and this moment pertinent information. We have Small Business Administration information there. We have the SAM's and DUNS links that you will lead, the links

to NIVA whether to join as a member or look at the information that they are sharing about the Save Our Stages Act or it's got a new name now. I know it's the Shuttered Venue Operators and information about the SBDCs you can find one in their area. If you find they are too business and you are not getting an answer, there is a Small Business Development Center in San Antonio, called the COBRA unit, COVID business recovery center, they have extra staff and you may well get an answer there where others may be too business. Like I said, you will have access to this event once we finish this event which we are about to do now.

I would like to thank everybody. I'm going to double check and see if Adriana Cruz is available. Would you like to say a few closing words, Adriana?

>> I'm here, thank you everybody for attending this afternoon. Keep your eye post on the Texas Music Office website. Our website for future events and more information on this topic. Thank you.

>> *Spillane*: Great, thank you everybody, thank you to our panelists and my colleagues in the Office of the Governor for putting this event on and thank to the audience for making time, I hope you found this useful. Contact information on those slides if you do want to reach out. So with that, I will say goodbye and thank you and hopefully you will see us in our future events, our next one is

on wednesday, which is about the second roll of PPP,  
[indiscernible - audio disconnected and restarted].

So -- so you will -- you will see hopefully information about  
that. Thank you very much and we are ending this event.